

**THE ANALYSIS OF MULTICULTURAL PERSONALITY
AND INTERCULTURAL COMPETENCY ON
EXPATRIATES' CROSS-CULTURAL ADJUSTMENT**

by

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A little ink more or less!

I surely can't matter?

Even the sky and the opulent sea,

The plains and the hills, aloof,

Hear the uproar of all these books,

But it is only a little ink more or less.

[WAR IS KIND AND OTHER LINES, Stephen Crane, 1899]

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ABBREVIATIONS

ACDAI	Adapted Cross-Cultural Adaptability Inventory
AE	Assigned Expatriates
AGFI	Average Goodness of Fit Index
ASEAN	Association of Southeast Asian Nation
AVE	Average Variance Explained
CAS	Culture Awareness Scale
CB-SEM	Covariance-based Structural Equation Modelling
CDAI	Cross-Cultural Adaptability Inventory
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CMV	Common Method Variance
CR	Composite Reliability
Df	Degree of Freedom
DLV	Dependent Latent Variable
EFA	Exploratory Factor Analysis
EPU	Economic Planning Unit
FEM	Foreign Expatriates in Malaysia
FDI	Foreign Direct Investment
FMM	Federation of Malaysian Manufacturer
GFI	Goodness Fit Index
GoF	Goodness of Fit
GRTS	Global Relocation Trends Survey
HSBC	Hong Kong and Shanghai Banking Corporation
ILO	International Labor Organization
ILV	Independent Latent Variable
IES	Intercultural Effectiveness Scale
ISS	Intercultural Sensitivity Scale
LC	Latent Construct
PSY	Psychology Adjustment
SOC	Sociocultural Adjustment
PTY	Multicultural Personality

	AWE	Intercultural Awareness
	STY	Intercultural Sensitivity
	ADT	Intercultural Adroitness
LV	Latent Variable	
	c1CE	Cultural Empathy
	c2OP	Openmindedness
	c3SI	Social Initiative
	c4ES	Emotional Stability
	c5FX	Flexibility
	d1SF	Self Awareness
	d2CI	Cultural Awareness
	d3IT	Interaction Awareness
	d4SM	Similarity Awareness
	e1EG	Interaction Engagement
	e2RS	Respect for Cultural Differences
	e3CF	Interaction Confidence
	e4EJ	Interaction Enjoyment
	e5AT	Interaction Attentiveness
	f1BF	Behavioural flexibility
	f2RX	Interaction Relaxation
	f3RP	Interaction Respect
	f4MS	Message Skills
	f5MT	Identity Maintenance
	f6MG	Interaction Management
JITRO	Japan External Trade Organization	
KMO	Kaiser-Mayer-Olkin	
MBA	Masters in Business Administration	
MEF	Malaysian Employers Federation	
MEO	Malaysian Expatriates Overseas	
MI	Manifested Indicator	
MPQ	Multicultural Personality Questionnaire	
MSA	Measure of Sampling Adequacy	
MV	Manifested Variables	

NFTC	National Foreign Trade Council
NGO	Non-Governmental Organization
OLS	Ordinary Least Square
PAF	Principal Axis Factoring
SRMR	Standardized Root Mean Square Residual
PLS	Partial Least Square
RMSEA	Root Mean Square Error of Approximation
SCAS	Sociocultural Adaptation Scale
SEM	Structural Equation Modelling
SIE	Self-initiated Expatriates
SPSS	Statistical Package for Social Science
SSQ	Social Situational Questionnaire
PLS	Partial Least Square
PLS-SEM	Partial Least Square – Structural Equation Modelling
TESL	Teaching English as Second Language
TVE	Total Variance Explained
UAE	United Arab Emirates
UNESCO	United Nations Educational, Scientific and Culture Organization
URL	Uniform Resource Locator
UK	United Kingdom of Great Britain
USA	United States of America
VB-PLS	Variance-based Partial Least Square
VIF	Variance Inflation Factor

ANALISA PERSONALITI PELBAGAI-BUDAYA DAN KOMPETENSI ANTARA-BUDAYA KE ATAS PENYESUAIAN RENTAS-BUDAYA DALAM KALANGAN EKSPATRIAT

ABSTRAK

Kajian ini dirangka untuk menjangka personaliti pelbagai-budaya dan kebolehpayaan antara-budaya (kesedaran, sensitiviti dan pelakuan antara-budaya) ke atas penyesuaian rentas-budaya (psikologi dan sosiobudaya) dalam kalangan ekspatriat, dengan perbezaan antara ekspatriat asing di Malaysia dan ekspatriat Malaysia di luar Negara, serta perbezaan antara ekspatriat inisiatif sendiri dan ekspatriat yang dilantik. Penyelidikan secara rentas-bahagian dilaksanakan melalui tinjauan di laman sesawang, pos dan serah-pintu. Teknik persampelan bertujuan telah digunakan untuk mengenalpasti responden dari beberapa direktori dan laman sesawang. Tempoh masa selama enam bulan telah diambil untuk memperoleh bilangan maklum-balas yang wajar (minima 440 kes) yang mana 476 maklum-balas telah diperolehi tetapi hanya 427 maklum-balas yang boleh digunakan. Lima skala pengukur yang disadur dan satu skala pengukur yang disesuaikan telah digunakan untuk mengukur hipotesis yang menggunakan prosedur *Partial least Square (PLS)* berasaskan variasi. Data dianalisa dengan menggunakan perisian *SmartPLS* kerana keupayaannya yang kuat untuk memaksimumkan penjangkaan dalam model berstruktur serta kesan kecenderungan pembolehubah kebergantungan. Dapatan utama kajian menunjukkan bahawa keterbukaan-minda, inisiatif sosial, kestabilan emosi, kesedaran kesamaan, keyakinan berinteraksi, tumpuan berinteraksi, pengurusan interaksi dan kelonggaran interaksi didapati menjangka penyesuaian rentas-budaya dalam kalangan

ekspatriat. Selain itu, inisiatif sosial, kesedaran sendiri, kesedaran kesamaan, keyakinan berinteraksi, keseronokkan berinteraksi, tumpuan berinteraksi, kelonggaran berinteraksi dan menghormati interaksi membezakan kualiti dan keupayaan ke atas penyesuaian rentas-budaya berdasarkan konteks budaya dan mod pengeksatriatan mereka. Untuk mempertingkatkan pemahaman mengenai penyesuaian antara-budaya, kajian masa hadapan disaran untuk diluaskan ke pelbagai rangka persampelan, analisa secara jujukan, konteks budaya tertentu serta kepelbagaian penilai untuk menganalisa kebolehpayaan antara-budaya. Memahami sifat-sifat sendiri dari perspektif toleransi sosial juga disarankan. Secara teori, kajian ini telah menyumbang kepada pemahaman mengenai pemberat peralihan pembudayaan dibezakan berdasarkan konteks budaya dan orientasi pengeksatriatan. Pendekatan pembelajaran sosial yang bersesuaian serta pendedahan antara-budaya membantu ekspatriat untuk mewujudkan keupayaan antara-budaya yang sewajarnya ke atas kesejahteraan psikologi dan kesedaran sosial mereka. Dapatan kajian ini menunjukkan bahawa perbezaan adaptasi antara-budaya berlaku dalam kalangan ekspatriat adalah disebabkan oleh perbezaan dalam kerangka rujukan, keutamaan dan jangkaan budaya yang berbeza berserta pengalaman silang-budaya mereka di luar negara.

THE ANALYSIS OF MULTICULTURAL PERSONALITY AND INTERCULTURAL COMPETENCY ON EXPATRIATES' CROSS- CULTURAL ADJUSTMENT

ABSTRACT

The present study was designed to predict multicultural personality and intercultural competency (intercultural awareness, intercultural sensitivity and intercultural adroitness) on expatriates' cross-cultural adjustment (psychological and sociocultural), its differences between foreign expatriates in Malaysia and Malaysian Expatriates Overseas, and between Self-initiated Expatriates and Assigned Expatriates. A cross-sectional investigation was carried out through web-survey, postal and drop-off method. A purposive sampling technique was used to extract respondents from several directories and websites. Six months were taken to obtain sufficient number of responses (minimum 440 cases) where 476 responses obtained but only 427 responses are usable. Five adopted and one adapted scales have been used to measure the contended hypotheses using Variance-based Partial Least Square (PLS) procedures. The data was analysed by using SmartPLS software due to its powerful ability to maximize the prediction of structural model and the dependent variable was skewed. The key findings demonstrated that openmindedness, social initiative, emotional stability, similarity awareness, interaction confidence, interaction attentiveness, interaction management and interaction relaxation were found to predict expatriates' cross-cultural adjustment. Apart from that, social initiative, self awareness, similarity awareness, interaction confidence, interaction enjoyment, interaction attentiveness, interaction relaxation and interaction respect differentiate expatriates' quality

and ability on cross-cultural adjustment accordingly to their cultural context and expatriation mode. To enhance intercultural adaptation thoughtful, future research may ventures into various sampling frame, longitudinal analyses, specific cultural context and multiple ratter to examine the intercultural competency. Understanding the personal traits recount from social tolerance perspectives is granted. Theoretically, the present study contributed to the understanding on the magnitude of the acculturation transition is differentiated by cultural context and expatriation orientation. Proper social learning approaches and intercultural exposure help expatriates to establish intercultural ability on their psychological well-being and social wellness. The findings of the present study demonstrated that differences in intercultural adaptation occurred due to differences in expatriates' identical cultural frame of references, preferences and expectations that intercepted with their intercultural experiences abroad.

CHAPTER 1

INTRODUCTION

1.1 Research Background

Issues on trade liberalization, expanded government and business relationships, mobility of human forces and other factors of production have increased globally (Jones, 2002; Levy, 2007). In order to support international expansion, companies send expatriates abroad to lead, protect and secure their investment and operations in the host-countries. Firms need to establish an essential international network to monitor and manage possibilities of entry barriers into the emerging market especially in Asia. Possible entry barriers include the cost of face-to-face communication, cultural work practises, languages differences communication practices and the regulatory environment (Freeman & Sandwell, 2008). Similarly, government agencies are also sending their personnel to guarantee beneficial bilateral and multilateral agreement. The number of incoming expatriates may add to the cultural diversification in expatriation location.

Noticeably, researchers argued that the role of culture has significant influence on human resource management practices. Cultural aspects appeared to have significant influence on the expatriate's selection, training, relocation, repatriation, performance management, adaptation, acculturation, career management and other human behaviour studies (example: Abang Ekhsan, 2009; Aycan, Kanungo, Mendonca, Yu, Deller, Stahl & Kurshid, 2000; Berry, 2010; Bonache, Brewster & Suutari, 2001; Bruton & Lau, 2008; Caligiuri & Colakoglu, 2007; Clausen, 2010; Ellis, 2012; Fang, Jiang, Makino & Beamish, 2010; Freeman & Lindsay, 2012; Leung, Bhagat, Buchan, Erez & Gibson, 2005; Lin, Lu & Lin, 2012; Magnusson, Baack, Zdravkovic, Staub & Amine, 2008; Matsumoto & Yoo, 2006; McEvoy & Buller, 2013; Mayer, 2009; Okpara & Kabongo,

2011; Selvarajah, 2009). Remarkably, the notions of cross-cultural and intercultural are interchangeable, being used to describe cultural influences on the international business and managerial practices. Enrichment and evolution of culture discussed through intercultural studies and perceived as a dynamic area by integrating both cultural elements and the interaction process (Dahl, 2004; Guitel, 2006).

Bowman and Meacheam (2000) reviewed studies on expatriate management and found that the environmental elements, such as taxation assessment, health and medicine, risk management, economic issues and cultural elements gave external impact on expatriates' well-being. A study by Neelankavil, Mathur and Zhang (2000) and Lin et al. (2012) also shows culture play a significant role in managerial efficiency. Furthermore, research (example: Lee, 2007; Martinko & Douglas, 1999; Shaffer, Kraimer, Chen & Bolino, 2012; Tung, 1982; Wilson & Ward, 2011) has demonstrated expatriates' difficulties: cultural adjustment; unsatisfactory performance; stress; premature return; turnover or expatriate failure; intention to leave; decreasing productivity; learned helplessness and frustration; uncertainty in future career development; insufficient organizational and social support; and perceived discrimination experienced in accomplishing their foreign assignments are due to the cultural constraints (attitudes, norms, values and belief). Nevertheless, Lewthwaite (1996) argued that, people are different in personality, styles of learning, motivation and cultural background, dealing with cultural uncertainty. Hence, it is vital for expatriates to learn and understand sociocultural atmosphere at their expatriation location to ensure adequately adapt into a new living and working abroad.

However, the successful international and intercultural development process can be interrupted by political instabilities, internal violence and racist incidents. Some of

cultural consequences listed as follows meant to show how cultural unawareness has created problems in intercultural environment such as:

- Collision between local Dayak's ethnic group and Madurese immigrants in West and Central Kalimantan (1997 – 2001),
- Indonesian ethnic cleansing of Chinese (attack on property, the rape and murder of Chinese woman) (May 1998),
- Southern Thailand's Tak Bai Tragedy (15th October 2004),
- Thailand's 2008 and 2009 political crisis,
- Nitin Garg a 21 year old Punjab, fatally stabbed in West Footscray Melbourne (4th January 2010),
- Kuala Lumpur's Metro Tabernacle church fire-bombed (7th January 2010),
- Melbourne's Sikh Temple set on fire (14th January 2010),
- Brutal murder of Malaysian consulate driver Mohd Shah Saemin at Marion Street Sydney (23rd February 2010), and
- Indonesian street demonstration and protest outside the Malaysian Embassy in Jakarta (23rd August 2010) against Malaysian folk '*Rasa Sayang*' music, '*Pendet*' dance and mistreatment of Indonesian domestic workers.

In addition, aligned with terrorist attacks such as those on the World Trade Centre, New York and Pentagon, Washington DC (11th September 2001); Bali bombing (12th October 2002); JW Marriot Jakarta bombing (5th August 2003); London's subway bombing (7th July 2005); Islamabad Marriot Hotel bombing, Pakistan (20th September 2008); and Taj Mahal Hotel bombing in Mumbai (27th November 2008) made international movement riskier and more insecure. All those incidents might compromise both expatriates' psychological and sociocultural adjustment

internationally. For example, fear of criminal attack against Muslims in Belgium or public transport shut-down due to the riot in Thailand. Life security and safety issues became major concerns among expatriates that create fear to stay longer wherever the political and cultural environment is fragile.

With reference to the incidents above, situational elements of sociocultural environment is a one of the contributory factor to expatriates' failure reported in the Brookfield's Global Relocation Trends Survey (GRTS) 2009. Basically, insensitivity to cultural clues leads to financial loss to international organisations. Inability to understand cultural behaviours creates frustration or annoyance feeling to those from different cultural backgrounds. For example, Wal-Mart's business failures, especially in Germany and South Korea, were due to cultural insensitivity (Deresky, 2010: p.224). Particularly, Germans often shop for the things they need and do not like to be assisted by friendly Wal-Mart's store assistants. The Wal-Mart and other culturally-related occurrences illustrated above show some significant problems of international intercultural relations. Hence, adapting to, and understanding cultural components were found to be highly dependent on a person's cognitive, affective and behavioural competence to deal with the obstacles of economic, politic and sociocultural environment abroad (Birdeye & Hill, 1995). Thus, understanding culture in intercultural relations is important to configure cultural adaptability.

From ecocultural approach, Berry (2010) highlighted that effective adaptation and acculturation holds on psychological processes and behavioural concern in response to ecological, sociopolitical and cultural contexts (p.96). Understanding culture and the adaptation process is a big challenge to expatriates because of the diversity in culture and subculture (ethnic) composition. The United Nations Educational, Scientific and Cultural Organization (UNESCO) indicated diversity of culture as the way different

groups and society express their identity which transmitted by generations. Cited in the UNESCO's webpage about culture, "... not only in the varied ways in which cultural heritage is expressed, augmented and transmitted but also in the different modes of artistic creation, production, dissemination, distribution and enjoyment, whatever the means and technologies that are used" (UNESCO, 2009).

To conclude, the role of expatriates has become more important in the organizational operation internationally. Furthermore, research has shown that factors such as biological, work and sociocultural environment influence the expatriation accomplishment. Hence, the right characteristics and appropriate intercultural competencies should be possessed by expatriates in order to determine their cross-cultural adjustability while expatriating abroad, surrounded by different cultural environment. Identifying the right traits that best suit expatriates will help to reduce any cross-cultural difficulties or uncertainty faced by them. Preliminary studies have been conducted to prove the cultural effect on expatriation as reported in clipping and literatures. Preliminary studies undertake in the present study discussed as in the following section.

1.1.1 Preliminary Studies

Postulated by scholars (see: Abdul Malek & Budhwar, 2013; Ali, Van der Zee & Sanders, 2003; Bhaskar-Shrinivas, Shafer & Luk, 2005; Bjerregaard, Luring & Klitmoller, 2009; Foster, 1997; Hechanova, Beehr & Christiansen, 2003; Lee, 2007; Martinko & Douglas, 1999; Mendenhall, Steven, Bird & Oddou, 2008; Moon, Choi & Jung, 2012; Tung, 1982; Van der Zee, Ali & Haaksma, 2007), expatriates' success depends on effective training and selection systems (Freeman & Lindsay, 2012; Stone, 1991; Yeaton & Hall, 2008), cross-cultural literacy, families readiness (De Cieri,

Dowling & Taylor, 1991), organizational support, personality, competency, intelligence (personal, emotional and cultural), intercultural communication and cross-cultural adjustment on pre-departure, expatriation and probably repatriation stages. Obviously, international assignment completeness are depends on the expatriates' personal character and abilities in controlling cultural influences while expatriating. Preliminary investigation in the present study initiated to investigate intercultural understanding of cultural composition of society, especially Malaysia. In particular, a preliminary study on intercultural aspect was conducted in response to the international expatriates' relocation survey which revealed a glimpse of cultural effects on expatriation difficulty.

The first preliminary study was conducted to investigate the cognitive influence of culture and affective effect of emotion among expatriates (see: Awang-Rozaimie, Ali & Jaslin, 2010; Awang-Rozaimie, Ali & Isma-Izza, 2010; Awang-Rozaimie, Ali & Aiza, 2010). Interviews have been conducted with five expatriates in Penang out of 20 contacted expatriates. The interviews covers six discussion themes include: interviewees' experiences, similarity, differences, ecological, sociopolitical and cultural context issues. The findings have provided support and confirmed a significant cultural influence, cognitive understanding and affective effect on expatriates' cultural uncertainty. Particularly, uncertainty on cultural-related elements (cognitive, affective and behaviour) has caused expatriate's difficulty to react and understand other people's way of life while expatriating in the Asian cultural setting.

The second preliminary study was conducted to identify the extent of understanding on the concepts of intercultural relations in diversify cultural environments (see: Awang-Rozaimie, Isma-Izza & Ali, 2011). Samples of part-time post-graduate students from a reputable Malaysian public university have confirmed that cognitive (cultural knowledge); affective (emotion and motivational factors), and

behavioural (ways of doing things, especially in decision-making) elements contributed to mutual intercultural relation establishment.

In summary, preliminary investigation is important that verified expatriation difficulties and intercultural issues as reported by the international expatriates' relocation survey (see: GRTS 2009 & 2010). In particular, each expatriate is experienced sociocultural uncertainty and difficulties differently from one to another. The result shows individual characteristic (personality) play a role to justify psychological well-being and sociocultural wellness dealing with others. Additionally, it should go without saying that, a cognitive understanding and affective responses determine appropriate behaviour in encounter the differences. Nevertheless, second preliminary result indicated the important of cultural understanding to create harmonious intercultural interaction and relationships.

1.2 Statement of Problem

Developing countries at present have a shortage of skilled workers which affects national economic progress as reported by the Manpower's 2010 Talent Shortage Survey. The shortage scenarios may impede the growth of developing countries, particularly at the Association of Southeast Asian Nations (ASEAN) regions. For example, the Malaysian Ministry of Human Resource stated in the Malaysia's Economic Planning Unit (EPU) report on shortage of skilled workers in Malaysia estimated ranges between 30,000 and 35,000, especially in the fields of information, science and technology, finance, accounting and healthcare (EPU, 2010). Shortage of professional, expert and skilled workers is a common problem for developing countries as reported in the 2010 talent shortage survey and the human development report 2009. Therefore, in response to this problem, some companies have recruited foreign

professional and skilled workers. A Workplace Practices Survey conducted by the International Labor Organization (ILO) and the Malaysian Employers Federation (MEF) in 2007 reported that, of the 103 leading enterprises surveyed, 52% employed at least one highly skilled foreign worker especially in the country's fastest-growing industries (ILO, 2007). The Brookfield's GRTS 2010 Survey Report stated that 58% of business entities established outside the headquarters' country (GRTS, 2010: p.10). This data shows a role of international assignments continuously supporting international businesses in maintaining and generating more income and revenues.

The expatriation and intercultural literature gives various insights of difficulties experienced by expatriates which in turn would lead to significant financial implications for the companies. Expatriation literatures such as Black, Mendenhall and Oddou (1991), Brewster and Scullion (1997), Harzing (1995), and Mendenhall et al. (2008) indicated ineffective international business operations affected by various aspects such as misleading marketing message, insufficient experience and cultural variations, unawareness of local economic, political, legal and sociocultural business environment, ineffective local support systems, and other communication and interaction breakdown between headquarters and host-country offices. The National Foreign Trade Council (NFTC) of America estimated the cost of sending an expatriate for three-year assignment is as much USD one million (with a base annual salary of US\$75,000 to US\$100,100). Overseas assignment failure rate ranges from 7% to 20% depending on the source and host country (NFTC, 2007). International adjustment has been a controversial issue because of inconsistent expatriation literature addressing and estimating expatriates failure problems (see: Bhanugopan & Fish, 2006; Forster, 1997; Harzing, 1995; Lee, 2007; Martinko & Douglas, 1999; McEvoy & Buller, 2013; Mendenhall et al., 2008; Osman-Gani & Rockstuhl, 2008, 2009; Yeaton & Hall, 2008).

However, expatriate failure listed as: inability of expatriates to establish assignment goals; an uncompleted mission and returning early or off-schedule. Expatriates' maladjustment incurs cost to the organization in extending the assignment periods or finding replacement staff (Harzing, 1995). In contrast, Caligiuri (1997), and Claus and Briscoe (2009) viewed expatriate failure from the perspectives of intention to leave the assignment; the degree of cultural adaptability; and job performance.

Kim and Slocum Jr. (2008) argued on individual differences and adaptability among expatriates on their international assignment completion. Notably, expatriates experienced some degree of psychological, physical and marital disorientation (Lewthwaite, 1996) surrounded by unfamiliar cultural behaviour and environment. Psychological or physical disorientation occurs when the expatriate or family members find it difficult to make the necessary adjustment. Predominantly, the reasons for early returns from international assignments are family concerns (32%); transfer to a new position within the company (21%); early completion of the assignment (17%); cross-cultural adjustment challenges (8%); career concerns (4%); and security concerns (1%) (GRTS, 2010: p.48). Consequently, the same report also indicated, the reasons for assignment failure include spouse/partner dissatisfaction, followed by the inability to adapt, other family concerns, poor candidate selection, poor job performance, and a job which does not meet expectations (GRTS, 2009: p.51).

The Brookfield's GRTS 2010 reported 6% of international assignment failed, which indicated 2% increment compared to the 2009 report. Particularly, 17% of expatriates left the company during an assignment, 38% within the first year, 23% between the first and second year, and 22% after two years. China, India and the United Kingdom were cited as the locations with the highest rate of assignment failure, similar to the previous reports (GRTS, 2010: p.17). In a case study of American expatriates in

Kuala Lumpur, Dennis and Stroh (1993) highlighted that education system, language, lifestyles, racial, religious, ethnic groups and organizational internal rivalries created family and work difficulties. Besides, transportation preferences in Kuala Lumpur were found contributed to the expatriates' frustration (Butler & Hannam, 2013). The lack of sufficient work and cultural preparation caused a premature return, failure to accomplish goals of the assignment and intention to leave the foreign location as soon as possible.

In addition, Hong Kong and Shanghai Banking Corporation (HSBC)'s expat global survey 2009 studied some determinants of expatriation experiences among 3,100 expatriates in over 49 countries. The main chosen reasons for earlier return were: limited career prospects (28%); reduced value for money (19%); not being able to afford good lifestyles (16%); and reduced length of contract (25%) (HSBC 2009' Expat survey: Report 1: p.6). In addition, the survey also shows the adaptation to culture comprises family adaptation (23%), language understanding (18%), socializing (12%) and personal attitudes of expatriates (10%). As stated in the 2009 expat survey report, "... learning the local language remains the largest expatriate challenge of all. Hong Kong's language barrier is the biggest hurdle, with almost three-quarters (72%) finding that learning the language is very difficult." (HSBC 2009' Expat survey: Report 2: p.9&10). Nevertheless, intercultural interaction impact could vary from one location to another due to the situational factors of politic, socioeconomic and sociocultural diversification of subculture or ethnic groups' characteristics.

Expatriates failure basically caused by the psycho-sociocultural issues; personal intercultural differences; and inability to make necessary adjustment into the cultural environment abroad which debated by scholars (see: Bhaskar-Shrinivas et al., 2005; Forster, 1997; Harzing, 1995; Hechanova, Beehr & Christiansen, 2003; Lin et al., 2012;

Mendenhall et al., 2008; Ward, Bochner & Furnham, 2001). Nevertheless, insufficient studies have found discussed on individual differences that proving a cognitive and affective ability affect expatriates' intercultural interaction behaviour in multicultural settings (Takeuchi, 2010). The present study watches over multiculturalism as composition of various ethnicities (not merely defined as national culture illustrated by Hofstede (1983)) especially in expatriation location. There are several cultural issues affecting people's psychological well-being and social wellness such as:

1. How people react or respond to internal and external changes are depends on many factors, such as biological traits or personality, environmental forces, knowledge competency, life experience and maturity, and coping strategy (Freeman & Lindsay, 2012; Harvey, McIntyre, Moeller & Sloan, 2012; Selmer & Luring, 2011a; Song, 2009; Terracciano, McCrea, Hagemann & Costa, 2003).
2. Communication breakdown and intercultural conflict very often unconsciously occurred due to ethnocentrism and differences of the individual (Kim, 2006, 2008).
3. Other than practical knowledge and acquired skills, an intended mental setting of message or cultural value, belief and norms have become modulators for people's judgement and acculturate with cultural differences (Berry, 2010; Sam & Berry, 2010).

Unfortunately, published clipping, facts and figures were unavailable which specifically reports on expatriation difficulties due to the subjective definition of failures and maladjustment. Similarly, there is insufficient research and official data on Malaysian expatriation overseas and foreign expatriates in Malaysia. In spite of defining personal factors to expatriates adjustment, examining cultural context (foreign

expatriates in Malaysia and Malaysian expatriates) in the present study are adding another worth idea to consider in psychological and sociocultural adaptation. Additionally, recent studies (example: Ellis, 2012; Cao, Hirschi & Deller, 2013; Doherty, Richardson & Thorn, 2013; Froese, 2012) discussed various adaptation impacts accordingly to the expatriation mode (self-initiated expatriates and organizational (assigned) expatriates) gives additional value to expatriation research as argued in the present study.

Reflected above and in preliminary studies, central issue dealt with in the present study involved expatriates' personal factors (quality and ability) that affect their cross-cultural adjustments while working and living outside of their home country. Personal quality portrays by the personality elements and personal ability displayed a competency to acculturate with cultural differences and facilitates cross-cultural adjustment which the detail discussed in chapter two. In particular, possessing sufficient and appropriate identical quality and ability is essential for expatriates' cross-cultural adjustment, supports completion of their international assignment, and at the same time avoids a potential interpersonal misunderstanding. Therefore, the main focus of the present study was predicting the multicultural personality and intercultural competency perceived by expatriates on their cross-cultural adjustment abroad.

1.3 Research Questions

The present study mainly investigates whether multicultural personality and intercultural competency predict the expatriate's cross-cultural adjustment. Discussed earlier, the personal factor is a contributing factor to the expatriates' cross-cultural adjustment. Thus, the present study mainly questioned, 'how personal factors (quality

and ability) affect expatriates' cross-cultural adjustment?' Specifically, the clarification of this investigation will be achieved by answering the following questions:

1. Is multicultural personality and intercultural competency predicts expatriates' cross-cultural adjustment?
2. Is there a significant difference in the multicultural personality and intercultural competency on cross-cultural adjustment between foreign expatriates in Malaysia and Malaysian expatriates abroad?
3. Is there a significant difference in the multicultural personality and intercultural competency on cross-cultural adjustment between assigned expatriates and self-initiated expatriates?

1.4 Research Objectives

The present study enhances an understanding on expatriates' multicultural personality and intercultural competency which predicts and differentiates expatriates' quality and capability in cross-cultural adjustment internationally. Hence, the main objective of the present study is to investigate the predictive factors of multicultural personality and intercultural competency on expatriates' cross-cultural adjustment. Specifically, the investigation gains worth by aiming to accomplish several objectives as follows:

1. To investigate the prediction of multicultural personality and intercultural competency on expatriates' cross-cultural adjustment.
2. To investigate the significant difference in the multicultural personality and intercultural competency on cross-cultural adjustment between foreign expatriates in Malaysia and Malaysian expatriates abroad.

3. To investigate the significant difference in the multicultural personality and intercultural competency on cross-cultural adjustment between assigned expatriates and self-initiated expatriates.

1.5 Scope of the Study

International sojourner illustrated in expatriation literatures (example: Bhaskar-Shrinivas et al., 2005; Hechanova et al., 2003; Ward et al., 2001) includes: tourists, students, expatriate managers, immigrants; visiting or guest workers, peacemakers, missionaries, asylum seekers and refugees experienced different forms of cultural surprises, depending on their international mobility goals, lengths of stay, locations, expectations and social differences. Compared to other types of sojourners, expatriate managers believed they would experience a great deal of intercultural interaction while expatriating abroad: they would have to deal with personal responsibilities, organizational expectations and decisional risk. Mentioned earlier, studies (example: Ali et al., 2003; Black et al., 1991; Bhaskar-Shrinivas et al., 2005; Brewster & Scullion, 1997; Budworth & DeGama, 2012; Freeman & Lindsay, 2012; Lee, 2007; Martinko & Douglas, 1999; Mendenhall et al., 2008; Okpara & Kabongo, 2011; Shaffer et al., 2012; Shaffer, Singh & Chen, 2013; Tung, 1982) examined linkages factors such as: individual, job, non-work, organizational culture, organizational socialization and pre-departure (training, previous experience and headquarters support) to the expatriation consequences of cross-cultural adaptation. Contrasted with Takeuchi (2010), insufficient number of investigation has detail understanding on personal elements of expatriates to cross-cultural adjustment. In light of the evidence and granted by scholars (Bhaskar-Shrinivas et al., 2005; Brewster & Scullion, 1997; Freeman & Lindsay, 2012; Mendenhall et al., 2008; Selmer & Luring, 2011a; Shaffer et al., 2012), the present

study devoted to specify personal traits (characteristics and capability) on cross-cultural adjustment and accordingly to the cultural context (foreign expatriates in Malaysia and Malaysian expatriates overseas) and expatriation mode (self-initiated and assigned).

1.6 Significance of the Study

Global economic volatility and development affect the amount of international human resource mobility. Certain personal qualities and abilities are essential to sustain harmonious interaction and relations between different cultures. Intercultural competence perceived as the sojourners' ability to function effectively in another culture and being able to respond and encounter cultural differences in a proper manner (Berry, 2010; Gertsen, 1990; Sam & Berry, 2010). Cultural frame of references specified a person's mindset as a basis of judgement in response to the environmental demand at different sociocultural scenarios. Remarkably, the qualities of personal attributes (personality) and abilities (awareness, sensitivity, and behavioural appropriateness) react on cultural changes are essential to develop beneficial relation to those with different cultural understanding. Thus, facilitating multicultural personality and intercultural competency traits on cross-cultural adjustment is novel, feasible and useful. The significant contributions of the present study to enhance the intercultural understanding across cultural boundaries include:

1.6.1 Theoretical Contribution

An imitation and learning process is able to teach a person the behaviour which flags a boundary in interaction and relation across culture groups. Sociological learning processes integrate a cognitive reaction between groups which affect collective social knowledge and skills. Expatriates' appropriate social interaction knowledge and skills

support their intercultural development, changes their expectations and helps adaptation to the new cultural environment. Moreover, cognitive affirmation reduces the amount of information exchange uncertainty in social interaction (Berger & Calabrese, 1975; Gullahorn & Gullahorn, 1963; Jaeger & Selznick, 1964; Kroeber & Kluckhohn, 1952; Oberg, 1960; Torbiorn, 1982), social equality in cognitive and cultural behaviour (Taveggia & Santos, 2001), and communicative attitudinal difficulties (Gudykunst & Nishida, 1984). Sociocultural environment and sufficient social learning formed personal quality and ability to establish appropriate intercultural connectedness (Yoon, Hacker, Hewitt, Abrams & Cleary, 2012) and acculturative capability (Berry, 2010) to encounter different cultural setting. Proves by the preliminary studies, the present study argued that personal quality (personality) and ability (competency) is crucial to strengthen the understanding of the cultural integration and cross-cultural adjustment abroad as posited by scholars (see: Bandura, 1977, 1999, 2001, 2005a, 2005b, Mendenhall et al., 2008; Shaffer et al., 2012; Sinicrope, Norris & Watanabe, 2008; Ward et al., 2001). Corresponds to the social learning and acculturation theory, the novelty of the present study accused on extending cross-cultural adjustment model by tapping expatriating issues on:

- a. Intercultural cognitive, affective and behavioural transitions help to eliminate signs of intercultural resistance, stereotyping, ethnocentrism and racism among expatriates.
- b. Cultural context on cross-cultural adjustment by examine the differences of personal characteristics and ability on expatriates' cross-cultural adjustment by comparing between foreign expatriates in Malaysia (FEM) and Malaysian expatriates overseas (MEO).

- c. Current research trend (example: Ellis, 2012; Doherty et al., 2013; Froese, 2012; Selmer & Luring, 2011b, 2011c) by examining expatriation mode of self-initiated expatriates (SIE) and organizational or assigned expatriates (AE)

1.6.2 Practical Contribution

Implicit and explicit features of culture constitute a social life, and intended or unintended behaviour. As illustrated earlier, cultural discrepancy between groups caused interaction and mobility difficulties among expatriates. Some evidence of intercultural difficulties include: expatriation failures, unsatisfactory performance, social breakdown and other personal and family problems. In order to enhance interactive approach of expatriates' international social life, intercultural analysis perceived it as obligatory to build harmonious relation with the multicultural community. Notably, there were insufficient research was found investigating the expatriation and cross-cultural adaptation especially within Southeast Asia region compared to China and Japan (see: Abdul Malek & Budhwar, 2013; Butler & Hannam, 2013; Goodall, Na & Warner, 2006; Nabers, 2003; Zimmermann, Holman & Sparrow, 2003). Scholars (example: Bruton, & Lau, 2008; Claus, & Briscoe, 2009; Cooke, 2009; Shaffer, Harrison, Gregersen, Black & Ferzandi, 2006) have granted future studies to expand the intercultural scope of this phenomenon into other Asian varied cultural locations in order to examine cultural influence on expatriation efficiency. Thus, investigation on the multicultural personality and intercultural competency on expatriates' cross-cultural adjustment is worth considering idea discussed as follows:

1.6.2.1 Contribution to Expatriates

Cultural awareness, sensitivity and perception of appropriate expectation, sufficient knowledge and skills are vital to avoid a confusion or alienation of feelings in culturally different and strange places. Understanding sociocultural composition and psychologically well-being could enhance expatriates' adaptation while expatriating in strange cultural location as illustrated by past studies (for example: Ali et al., 2003; Berry, 1997, 2008, 2010; Hechanova-Alampay et al., 2002; Hechanova et al., 2003; Lee, 2007; Kiang, Supple, Stein & Gonzalez, 2012; Martinko & Douglas, 1999; Mendenhall et al., 2008; Stone, 1991; Tung, 1982; Van der Zee, Ali & Salome, 2005; Van der Zee et al., 2007; Yeaton & Hall, 2008; Yoon et al., 2012). Thus, research implication of the present study possibly augments on the important of expatriate' quality and ability to appropriately acculturate and adapt with cultural differences in the new cultural environment. Particularly, the results from the present study enrich the ability of expatriates to reduce cultural stresses and being more culturally motivated accomplishing their international assignments.

1.6.2.2 Contribution to Organization

Intercultural behaviour at the workplace varied according to personal or group cultural background. Among cultural differences are punctuality, attitude towards work and achievement, sense of urgency, sense of belonging, *esprit de corps* and other *organizational* culture values. Expatriation literature has demonstrated that personal, organizational, work and non-work factors determine the cross-cultural adjustment especially in the job and workplace transitions (Black, 1988; Black et al., 1991; Bhaskar-Shrinivas et al., 2005; Harvey et al., 2012; Haslberger, 2005a; Hechanova et al., 2003; Parker & McEvoy, 1993). However, the present study believes mutual

intercultural relations establishment are depend on the individual's ability and awareness of intercultural differences. Mutual intercultural understanding and appropriate adjustment avoid social separations, annoyance feelings and behaviours as proved by Friedman (2007) and Lin et al. (2012) on the concept of *mianzi* (face-saving) and *guanxi* (pride) among Chinese subordinates in Hong Kong. Inspecting culture differentiation in an organization is vital for managerial control over workers in a multicultural setting. The success of the organization's international mission depends on expatriate's capability to tackle not only the economic opportunities but also develop mutual relationships with the stakeholders in the host country. The point is that, it is essential for an organization to employ, select and assign the culturally competent personnel (having sufficient multicultural personality and intercultural competency) for its international assignments to work in a culturally diverse workplace.

1.6.2.3 Contribution to Society

Cumulative cultural elements form a group identity and design the institutional system of the society. A societal system creates boundaries and spaces of interaction and relation when confronting other cultural groups. Such relativity or social association forms the base to the morality issues which define a social obligation. For example, business negotiations, child adoption from a different culture, marital issues and intimacy of relationships which tap the moral consequences such as behaviour interpreted from a religious perspective, etiquette and social manners. Scholars (example: Abdullah, 2004a; 2004b; Asma, 1992a, 1992b; Berry, 1997; Bruning, Sonpar & Wang, 2012; Dahlan, 1991; Eugene, 2009; Froese, Peltokorpi & Ko, 2012; Hamzah, 1991; Liu, 2007; Mahajan & De Silva, 2012; Richardson & Foong, 2004; Sam & Berry, 2010; Shen & Jiang, 2011; Xavier, 2007; Yoon et al., 2012) have expressed

acculturation is a process that challenge people to build harmonious intercultural relationship in a multicultural or multiethnic society. Being aware on cultural values, moral and ethical conflict is essential to understanding the bases of an intercultural system and reduces possibility of cultural conflict between expatriates and local people. Hence, the present study argued that by having sufficient traits of personality and competency will help expatriates to avoid being separated or isolated from the local society within or outside the workplace. Ability of expatriates to adjust culturally not only raises their confidence to carry out their assignments but also fulfils their social obligation by giving back their knowledge, expertise and experience to develop society and increase the organization's profile in the new cultural environment.

1.7 Definitions of Key Terms

This section highlights a few main definitions of the terminologies used in the present study. Cultural studies perceived **culture** as a unique identity representing the group. Hofstede (1983: p.76) often referred to culture as a mental system designed by the cumulative shared values among the group members which differentiate one group from another. A mental system of culture is programmed by the beliefs, values and norms which imitated, learned, taught, shared and passed on by previous generations which shaped a set of cognitive mindset. Thus, in the context of intercultural relations, the operational definition of culture is perceived as an exchange medium of values, beliefs and norms. Other key terms operationalised in the present study discussed as follows:

1. **Expatriate** refers to a person who leaves their home country, assigned with a job or international assignment representing a business organization, institutions or a country on temporary basis (Aycan & Kanungo, 1997; Mol, Born, Willemsen & Van der Molen, 2005). Thus, to endure the intercultural impact of expatriates'

cross-cultural adjustment, the present study operationalised expatriate as key personnel, professional and skilled-workers who is non-citizen of the countries; general labours of foreign workers are excluded.

2. **Cross-cultural adjustment** is a reflection process which is affected by cultural discrepancy. The reaction of cross-cultural adjustment is a term used to signify sufficient changes made by expatriates in response to the environmental demands (Aycan, 1997, Black & Stephen, 1989; Black et al., 1991; Tadmor, 2006; Zakaria, 2000). Thus, the definition of cross-cultural adjustment operationalised in the present study refer to expatriates' mental health and social connectedness stated as follows:

- a. **Psychological adjustment** is a process of changing human perception and rationale when encountering a different frame of reference (Oberg, 1960; Torbiorn, 1982, 1985) to create a mental well-being.
- b. **Sociocultural adjustment** is an ability to “fit-in”, acquire appropriate cultural skills and negotiate interactive aspects of the new cultural environment (Ward & Kennedy, 1999) to reduce social difficulty.

3. **Multicultural Personality** is defined as individual's ecological characteristics and meaningful traits that are relevant to multicultural success (Costa & McCrea, 1995; Korzilius, Hooft, Planken & Hendrix, 2011; Van der Zee & Van Oudenhoven, 2000; Van der Zee, Van Oudenhoven, Ponterotto & Fietzer, 2013). Thus, multicultural personality is operationalised in the present study as attitudinal elements that portray expatriates' quality (character) which comprises personal traits as follows:

- a. ***Cultural empathy*** refers to the abilities to express feelings, thoughts and behaviours in different cultural groups; show interest in local culture; be willing to adjust; be sensitive to feelings, beliefs, and norms; and show respect to others' culture (Hammer, Bennett & Wiseman, 2003; Ponterotto, Ruckdeschel, Joseph, Tennenbaum & Bruno, 2011).
 - b. ***Openmindedness*** relates to open, flexible and unrestricted thought and behaviour which contrasts to the ethnocentric attitude (Korzilius et al., 2011; Leone, Van der Zee, Van Oudenhoven, Perugini & Ercolani, 2005; Yakunina, Weigold, Weigold, Hercegovac & Elsayed, 2012).
 - c. ***Social initiative*** refers to the capabilities, effort to establish cross-cultural interaction with social surrounding in order to create effective social networks and establishing beneficial intercultural relations (Caliguri, 2000; Ponterotto et. al., 2011; Van Oudenhoven & Van der Zee, 2002; Van der Zee & Van Oudenhoven, 2000).
 - d. ***Emotional stability*** is required for self-grounding in order to perform effectively under stressful circumstances (Korzilius et al., 2011; Van der Zee, Van Oudenhoven & de Grijjs, 2004).
 - e. ***Flexibility*** indicates the ability of a person to align his/her habitual frame of references with new mindset in the new cultural environment (Leone et al., 2005; Yakunina et al., 2012).
4. **Intercultural competency** refers to efforts or abilities to think and act appropriately in an intercultural setting (Hammer et al., 2003); ability to understand and indicate relationships between different cultures from one's own and other cultures perspectives (Byram, Nichols & Stevens, 2001). Hence,

intercultural competency operationalised as the extent a person encounters cultural differences based on his/her affective (sensitivity), behavioural (adroitness) and cognitive (awareness) elements stated as follows:

- a. ***Intercultural Awareness*** is defined as cognitive states and conscious the cultural differences by finding the adjustment point from self frame of references and cultural perspectives of the other people (Chen, 2010; Chen & Starosta, 1999).
 - i. *Self awareness* refers to knowledge and understanding about the needs and expectations from one's own cultural point of view (Chen & Starosta, 1999).
 - ii. *Cultural awareness* is an understanding on the cultural elements from the other's cultural point of view (Chen, 2010; Chen & Starosta, 1996).
 - iii. *Interaction awareness* is a person's notification on social norms and implications from racial sound statements and imposed values in intercultural disclose (Asma, 1992a, 1992b; Richardson & Foong, 2004).
 - iv. *Similarity awareness* indicates ability to identify relatedness to the identity and cultural composition, and understanding to the cultural differences (Clausen, 2010; Ones, Viswesvaran & Dilchert, 1999; Stahl, 2000).
- b. ***Intercultural Sensitivity*** is a cognitive ability to understand the cultural similarities and differences of cultural aspects, behaviours, perception and

feelings from his/her own and the other's perspectives (Chen, 2010; Chen & Starosta, 1996; Foronda, 2008; Lyttle, Barker & Cornwell, 2011).

- i. *Interaction engagement* is concerned on the mutual engagement creates beneficial affection (emotional attachment), continuance (awareness to loyalty) and normative (obligation to responsibility) commitments (Aycan, 1997).
- ii. *Respect for cultural differences* is determined by the extent of a person's respect and tolerance to others' opinions and point of view, ecological, psychological and sociocultural context (Brown & Ataalla, 2002).
- iii. *Interaction confidence* indicates the extent of a person's being able to initiate a conversation and sustain rapport in an intercultural context by having appropriate soft-skills such as foreign language proficiency, communication confidence and cross-cultural experiences (Gilleard & Gilleard, 2002).
- iv. *Interaction enjoyment* evaluates expatriates' reaction and satisfaction from the intercultural interaction which related t the socio-emotional dimensions of interaction as argued by Nezlek (1999).
- v. *Interaction attentiveness* rates personal effort and initiative to concentrate, pay attention and understand the ongoing process of intercultural interactions to reduce intercultural conflict (Martinko & Douglas, 1999).